

**Town of Montreat
Board of Commissioners
Budget Workshop Meeting Minutes
May 13, 2008 – 5:00 p.m.
Town Services Office**

The Montreat Board of Commissioners held a Budget Workshop Meeting on May 13, 2008 at 5:00 p.m. in the Town Services Office Present among the Board were Mayor Letta Jean Taylor, Mayor Pro Tem Eric Nichols, Commissioner Ruth Currie, Commissioner Bill Hollins, Commissioner Jack McCaskill and Commissioner O'Neil Tate. Representing the Town were Town Administrator Ron Nalley, Town Clerk Misty R. Gedlinske and Finance Officer Stefan Stackhouse. No members of the public were present. After calling the meeting to order, Mayor Taylor welcomed everyone and gave the invocation.

Agenda Approval

Commissioner Tate moved approve the meeting agenda as presented. Commissioner Hollins seconded and all voted in favor. The motion carried 5/0.

Employee Health Insurance Benefits

Mr. Nalley reported on a recent meeting with Commissioner Tate, Mr. Stackhouse and Bill McLean to discuss changes to the Town's employee health insurance benefits. He explained that although he had budgeted for a 10% increase in health insurance premiums for the coming year, renewing the existing health insurance plan would result in an 18% increase in premiums. He reviewed several options provided by Mr. McLean and said that staff recommended BlueCross BlueShield Option 1, which provided a 90% in-network coinsurance percentage, \$1,000 coinsurance maximum and a \$250 individual coverage deductible. He noted that changing to this plan would result in only a slight increase over current premiums and said that with Council's permission, staff would prepare a recommendation for approval at their June meeting. After discussion, the Board agreed by consensus.

Ad Valorem Tax Revenues

Commissioner McCaskill asked why the ad valorem tax revenue amounts listed in the draft 2008-2009 Fiscal Year budget ordinance were different from the figure provided in the Capital Improvements Plan for the same time period. Mr. Nalley explained that the CIP was prepared in December using estimated figures and said that the amounts listed in the draft budget ordinance were most accurate. In response to Mayor Pro Tem Nichols inquiry, Mr. Nalley confirmed that estimated tax revenues for the next fiscal year was calculated at the current tax rate of \$0.37 per \$100 of valuation.

Operational Guide

Governing Body: Commissioner McCaskill asked how unused Open Space Conservation Fund monies were managed. Mr. Nalley explained that because the use of these funds was limited to those purposes specifically outlined in the Open Space Conservation Plan, they remained in the Fund and accumulated interest rather than being returned to the General Fund at the end of the

fiscal year. Commissioner Hollins expressed his concerns about leaving unused monies encumbered from year to year. He suggested that the Council consider using the proposed 2008-2009 funds toward another purpose and reallocating them to the Open Space Fund by means of a budget amendment if they were needed in the future. Commissioner Currie said several properties were in the working stages of dedication and that the Open Space Conservation Committee may use all or part of the allocated funds before the end of this fiscal year. She strongly advocated leaving the Open Space funds in the budget for the coming fiscal year and cautioned that if several properties were approved for acceptance into conservation at the same time the cost of appraisal, surveys and legal fees could add up quickly. Mr. Nalley agreed that the purpose of the Open Space Conservation Fund was to set aside monies for this purpose and said that the Board would need to decide the appropriate amount. After discussion the Board agreed not to remove the \$20,000 allocated toward the Open Space Conservation Fund from the proposed budget.

Mayor Pro Tem Nichols voiced his opposition of the \$15,000 contribution budgeted in the Capital Outlay line item toward Montreat College's audible warning system. After discussion, the Council agreed by consensus to remove this item from the budget.

Commissioner Hollins asked whether it would be more appropriate to publish Town newsletters on a bi-monthly or a quarterly basis. Mr. Nalley said that the bi-monthly newsletters would focus on a limited number of current topics and would be shorter than the traditional quarterly editions.

Administration: Commissioner McCaskill asked how the maintenance of the electric vehicle would be funded. Mr. Nalley explained that these costs would be shared between the Town, Montreat College and Montreat Conference Center.

Public Buildings: Commissioner Hollins noted the funds allocated in the Capital Outlay line item for the first debt service payment for a new Town Hall and Public Works facility and asked Mr. Nalley whether the proposed construction schedule was realistic. Mr. Nalley agreed that the construction schedule was aggressive and said that while the amount of funds allocated to this line item could be reduced if Council felt they were needed in other areas, he recommended leaving \$25,000 in this fund to be used for a site selection study and other related expenses. After discussion, the Board agreed to reduce the Public Buildings Capital Outlay line item to \$25,000.

Planning and Zoning: Mr. Nalley explained that all of the salary, equipment and operation costs for the Building Inspector/Code Administrator position had been moved to this area of the budget. He also noted that \$1,500 had been retained in the Contract Services line item to cover any institutional building inspections which Black Mountain Building Inspector Dan Cordell would still need to perform. Commissioner McCaskill asked for more information about the permitting software planned for purchase during the current fiscal year. Mr. Nalley explained that the Town would no longer be able to benefit from the Town of Black Mountain's permitting software once the building inspections contract expired on July 1, 2008. He also said that the

ZonePro software was similar to what Mr. Currie used during his work with the City of Marion and was the least expensive of several possible options.

Streets: Mr. Nalley advised that he had reduced the Capital Outlay line item in this section to reflect the removal of the Woodland Road paving project. During discussion, Commissioner Hollins felt that other streets such as Appalachian Way and Assembly Drive had a higher paving priority due to their poor condition and heavy traffic volume. Commissioner Currie disagreed, stating that Woodland Road received traffic from other streets and that drainage work in this street would improve runoff problems in neighboring areas. She asked whether the drainage work could be separated from the paving project and therefore completed more quickly. Mr. Nalley agreed that staff could provide itemized costs for both drainage and paving and present that information for Council's review.

Powell Bill: Mr. Nalley noted that \$35,000 had been allocated toward smaller-scale paving projects that did not involve water line replacement or drainage work.

Sanitation: In response to Commissioner Currie's inquiry, Mr. Nalley explained that the \$12,000 Contract Services line item represented the cost of the Town's part-time contract labor agreement with First, Inc.

Water: At Commissioner Hollins' request, the Council agreed by consensus for staff to prepare a cost justification analysis for the proposed automated meter reading system. Mr. Nalley also reiterated that he had removed the Greybeard Trail water line replacement project from the upcoming year's budget in hopes that a well site could be located near that area.

Adjournment

There being no further business to discuss, Mayor Pro Tem Nichols moved to adjourn the Budget Workshop Meeting. Commissioner McCaskill seconded. The motion carried 5/0 and the meeting was adjourned at 6:05 p.m.

Letta Jean Taylor, Mayor

Misty R. Gedlinske, Town Clerk